

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7050**

**BILL NUMBER:** HB 1541

**NOTE PREPARED:** Jan 13, 2013

**BILL AMENDED:**

**SUBJECT:** Various Tax Matters.

**FIRST AUTHOR:** Rep. Turner

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** The bill repeals the automatic taxpayer refund. It decreases the Individual Adjusted Gross Income (AGI) Tax rate from 3.40% to 3.06% over three years. The phase down of the tax rate begins in tax year 2014.

The bill provides that the inheritance tax does not apply to property interests transferred by decedents whose deaths occur after December 31, 2017. It specifies that certain definitions apply after the elimination of the inheritance tax for purposes of the Indiana estate tax and the Indiana generation-skipping transfer tax. Provides that the inheritance tax replacement amount is calculated in the same manner that it was calculated between 1997 and 2012. (Current law provides that a county is not eligible for a replacement amount unless it receives a replacement amount for inheritance tax collections in state fiscal year 2011-2012.) It phases out inheritance tax replacement amount distributions from 2013 to 2017.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Randhir Jha, 317-232-9556; Jessica Harmon, 317-232-9854